



DECEMBER 2018

ACA – RIP? Responding to a lawsuit brought by the attorney generals of 20 states, and led by Texas A/G Ken Paxton, Texas Judge Reed O'Connor ruled the [Affordable Care act is unconstitutional](#). The ruling cited Congress' 2017 repeal of the individual mandate (a tax penalty for not buying insurance) as "inseparable from the ACA," and hence grounds for nullifying the US Supreme Court's rationale for deeming the ACA constitutional in 2012.

The case is certain to make its way back to the Supreme Court, whose vote in support of the government position (under heavy political pressure) in 2012 was [excoriated](#) by Justice Scalia (who later died under highly suspicious circumstances).

During the appeals process, the nation seems likely to become even further divided, with the issue destined to exert an influence on the 2020 general election. The White House stated that until a final court decision, ACA will still be treated as law, and [participants](#) won't be affected.



Liberals predictably wailed in agony, while [Trump rejoiced](#), while promising a new strong federal law, which is ALSO NOT necessary. Healthcare is an issue best left to individual states, or even communities.

As for [Nancy Pelosi's claim](#) that people with pre-existing conditions are in danger, one needs only to recall the pre-ACA system, in which insurance companies who sold medical insurance in a given state were required to contribute to the state "pool" of funds that paid the cost for uninsurable individuals. Regarding the current cost of coverage, one of the reasons premiums have climbed so much since ACA was introduced is that a mass of government requirements and employees came with it.

The economy would benefit in many ways from the expiration of Obamacare. For example, employers could increase weekly working hours above 30 without having to shoulder the cost of medical coverage. Federal government tracking and control mechanisms over you and I would noticeably shrink. And more...



Who's coming to dinner? More than 100 military policemen from Wheeling, WV [are being deployed](#) to Guantanamo Bay, Cuba. Their mission: help guard the 7 prisoners remaining there. What??

Or perhaps there's more to the story. For example, reports are indicating that a bunch of globalists have been indicted and are going to be incarcerated there. Starting with George Soros.

The President's fight against globalists is attracting a lot of followers. Leaders from an ever-increasing number of countries are [resisting the UN global agenda](#) of mass migration to turn us into third-world citizens. Currently on board: Hungary, Czech Republic, Slovakia, Poland, Italy, Austria, Croatia, Slovenia, Bulgaria, Switzerland, Australia, Israel and Belgium.

Swamp watch. Here's a great [6-minute Fox news clip](#) on swamp creatures remaining in the White House—who should be getting pink slips from the President.

No hero. MSM and globalists slobbered over the passing of George H.W. Bush at age 94. He led a full life (including being a naval aviator and skydiving until age 90!) but there was a side of him that was not eulogized. Lest we forget, George was the first President to publicly advocate for the globalists' "New World Order."

Regarded by some Americans as the [epitome of evil](#), George Sr. was a "Skull and Bones" secret society member at Yale. As head of the CIA, he was involved in the Iran Contra weapons-for-drugs scandal, and [conveniently "forgot"](#) where he was when JFK was assassinated; photographs at the time appeared to show him at Dealey Plaza. There were also stories tying him while Vice President, through his [connections to the Hinkley family](#), with the 1981 attempted assassination of Ronald Reagan.

"Poppy" Bush was directly responsible for the war in Iraq—first encouraging Saddam to invade Kuwait (while in the CIA), then declaring war on Iraq based on illusory "weapons of mass destruction." And so we witnessed the dropping of 88,500 tons of bombs, resulting in horrific civilian casualties and [making war popular](#) again...

U.S. ECONOMIC HEALTH

Consumer sentiment dropped in October, according to the [University of Michigan](#), ostensibly due to rate-hike expectations... In a possible indication of an onrushing recession, [credit-card delinquencies](#), application rejections and involuntary account closures are rising.

Jobless claims spiked to 234,000, [up almost 10%](#) in the last three months, and the highest since March. The Census Bureau reported that [51.7% of American](#) residents under 18 years of age live in households in which one or more persons received government benefits.

Job growth slowed in November, with payrolls rising a disappointing 155K, disappointing expectations. October growth was revised downward from [250K to 237K](#). And the President begun jawboning General Motors over its [plan to close](#) plants and layoff 14,000 workers.

Housing. New [home sales](#) collapsed 9% in October, while mortgage rates continued a trajectory toward 6%. Even though rates are [climbing faster](#) than the 10-year Treasury yield, 6% is still relatively low.

Big discounts and trips provided by [desperate homebuilders](#), as home prices plunge, are putting buyers of all but starter homes in the driver's seat.

Housing market optimism has clearly collapsed—including in the mind of Chinese firms, which [dumped \\$1 billion](#) of U.S. real estate last quarter.

Producer prices surged 0.6% in October, the [biggest spike](#) since September 2012. Core [retail sales](#) growth was its slowest in 6 months. And U.S. **factory orders** tumbled in October, down 2.1% in the [biggest drop](#) since July 2017.

California wildfires are on their way to becoming another [trillion-dollar](#) unfunded liability – alongside massive public planning failures in public pensions and government debt.

Speaking of trillions, **household debt** [hit a record](#) \$13.5 trillion, \$800 billion higher than its previous peak in 2008—before the recession... A stunning [63% of U.S. households](#) headed by a non-citizen are on some form of welfare. **So much for the lie that massive immigration enriches our nation.**

The Long-Term View: Rates Still Low!

Average 30-Yr Fixed Mortgage Rates
Conforming loans, Mortgage Bankers Association



Having destroyed Illinois economically, politicians there now want to impose an **EXIT tax** on anyone who dares to leave the state... Californians are giving up on the state and [moving](#) to Texas and Florida.

STOCKS and BONDS

U.S. stocks: the Dow Industrial and S&P 500 Indexes eased 0.9% and 1.2% higher during November, closing the month at 25538 and 2760. The U.S. market remain in a consolidation pattern, with immediate support at 23995 and 2610. Yearend closes below (2017 closing levels of) 25017 and 2691 will suggest a 2019 retest of support levels before further advances.

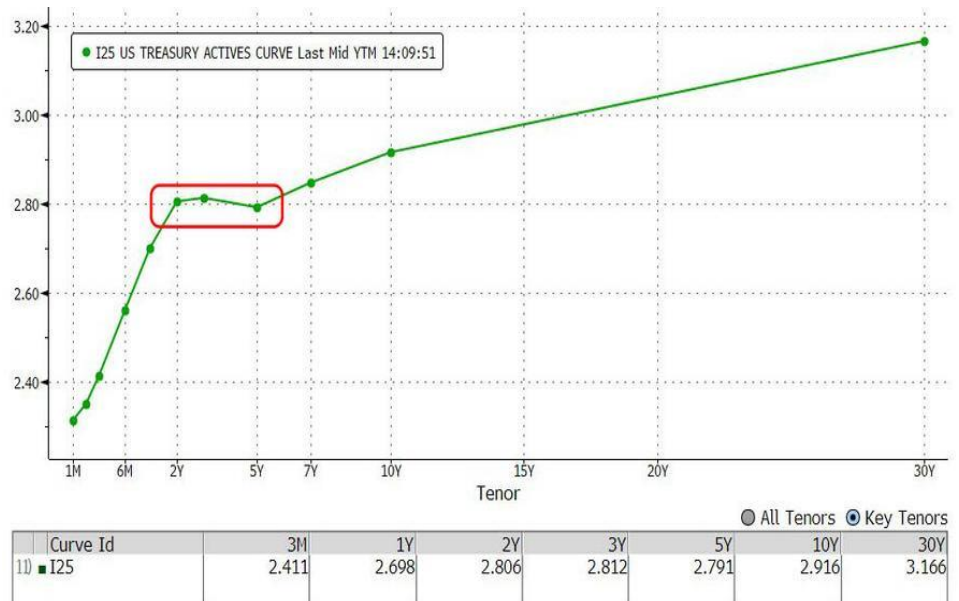
Moving into December U.S. stocks took another nosedive, [led down by FANG](#) (Facebook, Amazon, Apple and Netflix) stocks, which are now in a bear market. The Dow closed 12/14 at 24100, flat for the year, but with the consolidation still not threatening the long-term trend. The DJI now needs to climb back above 25400 to regain upside momentum.

Treasury bonds bounced, as interest rates fell: 10-year and 30-year T-bond yields tumbled 14 and 9 basis points to 3.01% and 3.30%, respectively. Fed Chairman Jerome Powell appears likely to yield to pressures to back off on further interest rate hikes. However, rising interest rates are normal for a strong economy, because demand for money to fund investments pushes rates higher. And rates need to move higher to ease massive shortfalls in state and municipal pensions.

At the same time, every 1% rise in interest rates adds [\\$220 billion annually](#) to America's deficit. So the economy is between the proverbial rock and hard place.

The magnitude of our global monetary crisis becomes clearer when one considers that the rest of the world is in much worse shape than the U.S. is.

The front-end of the Treasury [yield curve](#) (3 – 5 years) has inverted for the first time since 2007—indicating to Jeff Gundlach “total market disbelief” in Fed plans for further hikes.



Martin Armstrong: “All of this attention is being applied as the fear of rising interest rates in the marketplace is really beyond the control of central banks. They are also in fear of what to do in a banking crisis that is inevitable in Europe. It is true that central banks can control the short-term rates, but long-term rates are established by the free market. This is why the Federal Reserve was buying 30-year bonds, hoping to impact the long-term rates which the Fed cannot directly control.”

The dollar (USD Index) continued climbing, up 0.3% in November to 97.20.

REAL ASSETS

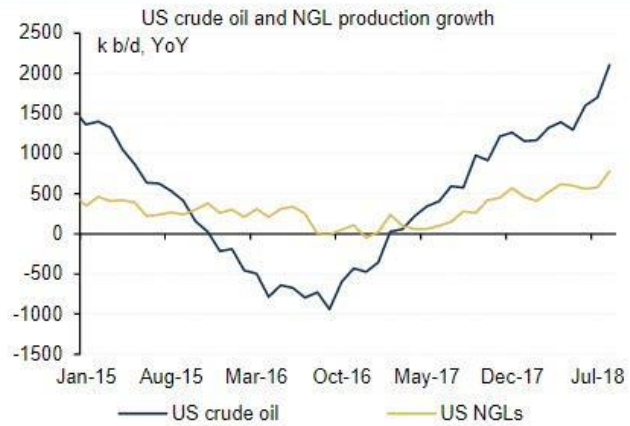
Precious metals. Gold eased \$5 higher in October to 1220, while silver slid another 6-cents to 14.22. Decelerating global economic growth curbing demand for silver, just as gold benefits from financial market volatility, has pushed the gold-to-silver ratio to a nosebleed high above 85 (compared to an historical ratio near 50)—the highest in 25 years.

Support is at 1210 and a monthly close below key support at 1163 would warn of a further decline. A yearend gold close below last year's 1309 close will suggest a continuing correction into 2021, when a reversal would be possible. Gold buying by central banks hit its highest level in almost 3 years.

Mining stocks (measured by the XAU Index) tumbled 3.7% to 64.46.

Commodities (GCC Index) slid 2.7% to 17.92. Jim Rogers seems convinced that commodities have reached a bottom and will lead other investment categories going forward.

Chart 1: Helped by higher prices, total oil production growth is at a record in the US...



Source: EIA

CRYPTOCURRENCIES

Energy. Crude oil (WTIC Index) plunged another 14.38 to \$50.93/barrel.

Reflecting global economic turmoil, [Saudi Arabia abandoned](#) production cuts and actually increased production to 11.2 million barrels per day, an all time high – while Russia delayed a production cut decision.

And in October, the U.S. became [energy independent](#).

Bitcoin and other cryptocurrencies spent November sliding, with BTC breaking through 6000 to close at 4041, down 36% for the month. We expect the ongoing shakeout to continue into 2019, and I tentatively plan to be “all in” before January 24th—when Bakkt is scheduled for official launch. I say “tentatively” because *Socrates* analysis calls for a low in ~March.

Bakkt is an open and regulated global “platform for all manner of cryptocurrency services,” including trading and warehousing. It is a product from Intercontinental Exchange, the same company that spawned the New York Stock Exchange, and is expected to serve a digital marketplace that moves \$270 billion per year. Bakkt will facilitate institutional participation, starting with venture capitalists and eventually including credit unions, retirement accounts, and 401(k)s.

Bitcoin's Cheap?

Bullish forecasters aren't wrong -- they just say the market's mispriced



With large-scale institutional participation potentially right around the corner, it should come as no surprise that “market forces” have been pushing prices down.

Globalist-controlled sources are publishing a parade of articles predicting how far bitcoin will fall. Bitcoin’s price could fall below 3000 and even 2000 in this environment.

Crypto bull [Tom Lee argues](#) that BTC’s current price “doesn’t make sense” because

with 50 million crypto wallets currently in existence, fair value is near \$14,000. Perhaps later, Tom.

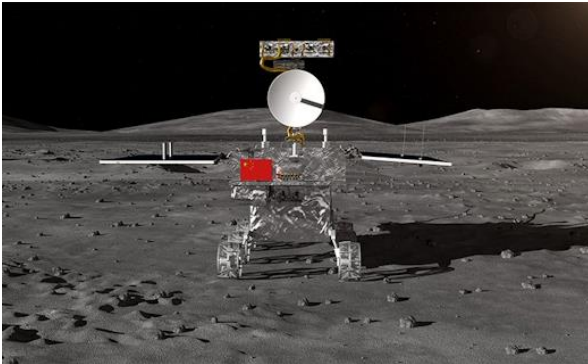
Detailed information on cryptocurrencies is now being published in our weekly crypto letter. To get on distribution for this letter, please send an email to wayne@waynepeterson.net.

WINDOWS into the FUTURE

AI/Robotics. Japanese researchers have developed a prototype humanoid robot, the HRP-5P, designed to autonomously perform heavy labor in hazardous environments. [This article](#) contains a video of 5P installing wallboard; sounds easy, but there's a lot involved... China opened the first "[robot bank](#)," with "Xiao Long" greeting customers in a fully automated, human-free branch of the China Construction Bank... Also in China, the world's first AI [news anchor](#) was unveiled.

Are you ready to hand your job over to R2D2? A World Economic Forum [study identified](#) vulnerabilities – now and projected into 2022 – concluding that "while AI will make some jobs obsolete (including lawyers and accountants), experts predict it will make way for job creation in other areas."

Transportation. Hyundai and Kia unveiled a new [solar roof](#) to charge batteries, for incorporation in vehicles next year. The solar cells are semi-transparent, enabling a glass roof.



China launched "[Chang'e 4](#)" on December 8, headed for a landing on the farside of the Moon. Signals were to be relayed through another satellite launched earlier.

According to U.S. astronauts and other sources, the farside features mining operations and the "[Shard](#)," a 1.5 mile high monolith. If it gets in the way of ongoing operations, Chang'e may find its operating life cut short.

Walmart announced plans to take [further control](#) of your community. It is "re-purposing" 12 of its locations (including in [Garland and Lewisville, TX](#)) into Town Centers: an outdoor gathering area with seating, community activities, entertainment, dining facilities, jogging paths, fountains, green spaces, playgrounds and even space for live music.

Walmart has spent decades destroying rural communities and community leadership needs to be alerted to this blatant corporate strategy to complete the takeover of your town.



Walmart announced plans to take [further control](#) of your

Other items of possible interest

- How to set your [online dials](#) to be **invisible**: Chrome/Firefox/Explorer, Facebook, Twitter, iPhone+.
- A new study clarifies why [drinking hot coffee](#) may reduce your risk of Alzheimer's and Parkinson's.
- [Wi-Fi signals](#) in your home will eventually allow trackers with smartphones to invade your privacy.
- [Surveillance cameras](#) are everywhere: streetlights, road signs and soon inside traffic barrels.
- Installment plans are making a comeback, targeting [cash-strapped](#) millennial shoppers.
- Google is quietly developing a [smart-home](#) automated system to eavesdrop on your daily life.
- In Toronto, Alphabet is prototyping the invasive [sensor-filled](#) metropolis of tomorrow.



- Why are Silicon Valley executives drastically limiting the time their [children spend](#) with cellphones?
- "[Minority Report](#)": AI software will be used next year in England to "stop crime before it happens."
- New Jersey State Police are going house-to-house, [confiscating](#) guns and magazines.
- Be aware of "[civil asset forfeiture](#)," in which authorities take your property without a warrant.
- And 9-year old Dane Best convinced Severance, CO leaders to end a 100 yr-old ban on [snowball fights](#).

- Truly useful, seamless [augmented reality](#) is coming, but we're not ready to use it.
- An 11-year old Arizona girl stopped a [would-be-kidnapper](#) by demanding he give her a "code word"

Dutch startup Plasticiet is turning [recycled plastic](#) into terrazzo-like material.

Researchers at DOE/Lawrence Berkeley National Laboratory have developed an [artificial photosyntheses](#) device that turns sunlight and water into hydrogen fuel and electricity.

TWILITE ZONE

Martian wind was captured for the first time by NASA's [InSight Mars lander](#), which touched down on the planet's surface and transmitted wind and vibrational sounds deflecting off the lander's 7-foot solar panels. After travelling for seven months through 300 million miles, InSight's mission is to explore Mars' deep interior while analyzing seismic activity.

Vibration is the source of everything. Carmen Montoto recently made a [60 minute presentation](#) to professionals at the [Monroe Institute](#). The information she presented was amazing (at least to me). Sound/frequencies have a huge effect on human beings. Frequencies affect water (the major constituent of the brain) and are capable of healing. Sound can be used to put out a fire or kill cancer.

Fascinating physical effects of sound are demonstrated, starting at 12 minutes into the video. "Hemi Sync" is a sound-based Monroe technique. And music is universal language...

Near Homestead, Florida sits Coral Castle, a complex of coral blocks weighing up to 30 tons, constructed single-handedly (at night) by Edward Leedskalnin, a 100-pound man, using sound to levitate and position his building blocks.

(My wife and I visited Coral Castle and were very impressed with the structure. Hard to imagine how one small man working alone could possibly construct it.)



Getting smarter? On November 11th of this year strange seismic waves rippled around the world, ringing for over 20 minutes. They were trace to a source about 15 miles off the [shores of Mayotte](#)—a tiny island in the Indian Ocean between Madagascar and Africa.

The waves resembled the slow-moving waveforms that arrive after an earthquake. But there was no quake. Scientists are puzzled, but some freer-thinking individuals attribute them—in the wake of the takedown of certain nefarious satellites (including a high energy physics satellite [being tested by CERN](#) in Switzerland)—to successful implementation of a technology that will enhance our DNA.

FUNNIES

Late last fall, the Indians on the Aamjiwnaang Nation reservation in Grand Bend, Canada, asked their new chief if the coming winter was going to be cold or mild. Since he was a chief in modern society, he had never been taught the old secrets.

When he looked at the sky, he couldn't tell what the winter was going to be like. Nevertheless, to be on the safe side, he told his tribe that the winter was indeed going to be cold, and that the members of the village should collect firewood to be prepared.



The annual meeting
of the Summer Tires Club.

Being a practical leader, after several days, he got an idea. He called the Canada Weather Service and asked, 'Is the coming winter going to be cold?' 'It looks like this winter is going to be quite cold,' the meteorologist at the weather service responded. So the chief went back to his people and told them to collect even more firewood in order to be prepared.

A week later, he called the Canada Weather Service again. 'Does it still look like it is going to be a very cold winter?' 'Yes,' the man at Weather Service again replied, 'it's going to be a very cold winter.' The chief again went back to his people and ordered them to collect every scrap of firewood they could find.

Two weeks later, the chief called the Canada Weather Service once more. 'Are you absolutely sure that the winter is going to be very cold?' 'Absolutely,' the man replied. 'It's looking more and more like it is going to be one of the coldest winters we've ever seen.' 'How can you be so sure?' the chief asked. The weatherman replied, 'The Indians are collecting one Hell-of-a-lot of firewood.'



A little boy was doing his math homework. He said to himself, "Two plus five, that son of a bitch is seven. Three plus six, that son of a bitch is nine...."

His mother heard what he was saying and gasped, "What are you doing?" The little boy answered, "I'm doing my math homework, Mom." "And this is how your teacher taught you to do it?" the mother asked. "Yes," he answered.

Infuriated, the mother asked the teacher the next day, "What are you teaching my son in math?" The teacher replied, "Right now, we are learning addition." The mother asked, "And are you teaching them to say two plus two, that son of a bitch is four?"

After the teacher stopped laughing, she answered, "What I taught them was, two plus two, THE SUM OF WHICH, is four."

A store that sells new husbands has opened, where a woman may go to choose a husband. Among the instructions at the entrance is a description of how the store operates:

You may visit this store ONLY ONCE! There are six floors and the value of the products increase as the shopper ascends the flights. The shopper may choose any item from a particular floor, or may choose to go up to the next floor, but you cannot go back down except to exit the building!

So, a woman goes to the Husband Store to find a husband. On the first floor the sign on the door reads:

Floor 1 - These men Have Jobs
She is intrigued, but continues to the second floor, where the sign reads:

Floor 2 - These men Have Jobs and Love Kids.
'That's nice,' she thinks, 'but I want more.' So she continues upward. The third floor sign reads:

Floor 3 - These men Have Jobs, Love Kids, and are Extremely Good Looking.
'Wow,' she thinks, but feels compelled to keep going. She goes to the fourth floor and the sign reads:

Floor 4 - These men Have Jobs, Love Kids, are Drop-dead Good Looking and Help With Housework.'
Oh, mercy me!' she exclaims, 'I can hardly stand it!' Still, she goes to the fifth floor and the sign reads:



Floor 5 - These men Have Jobs, Love Kids, are Drop-dead Gorgeous, Help with Housework, and Have a Strong Romantic Streak. She is so tempted to stay, but she goes to the sixth floor, where the sign reads:

Floor 6 - You are visitor 31,456,012 to this floor. There are no men here. This floor exists solely as proof that women are impossible to please. Thank you for shopping at the Husband Store. Please follow the signs to the exit.



Thanks for reading. We wish you another happy, healthy and successful month!

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